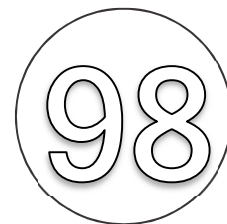




J. K. COTTON LIMITED

ANNUAL REPORT 2020-2021



J. K. COTTON LIMITED

BOARD OF DIRECTORS :

SHRI ABHISHEK SINGHANIA (Chairman & Managing Director)	DIN 00087844
SHRI VEDANG HARI SINGHANIA	08948420
SHRI SANJAY KUMAR JAIN	01014176
DR. KRISHNA BEHARI AGARWAL	00339934
SHRI ASHOK GUPTA	00135288
DR. JAGANNATH GUPTA	00397952
SHRI KRISHNA DAS GUPTA	00374379
SHRI RAVINDRA KUMAR TANDON	00159472

CFO :

MS. SONALI AGARWAL

COMPANY SECRETARY:

SHRI HARSHIT GUNANI

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BANKERS :

ALLAHABAD BANK
ICICI BANK LTD.
IDBI BANK LTD.
PUNJAB NATIONAL BANK
STATE BANK OF INDIA
HDFC BANK

AUDITORS :

MESSRS. GUPTA VAISH & CO.
Chartered Accountants

REGISTERED OFFICE:

KAMLA TOWER, KANPUR

J. K. Cotton Limited

CIN: U17111UP1924PLC000275

Registered Office: Kamla Tower, Kanpur-208 001, U.P., India

Tele. No.: (0512)2371478-481 **Fax :** (0512) 2332665

E-mail: harshit@jkcotton.com **Website:** www.jkcotton.com

NOTICE OF 98TH ANNUAL GENERAL MEETING

Notice is hereby given that the 98th Annual General Meeting of J. K. Cotton Limited will be held on Tuesday, 28th September 2021, at 11.00 A.M through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri Ashok Gupta (DIN 00135288), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Shri Abhishek Singhania (DIN-00087844) as a Director**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Shri Abhishek Singhania (DIN: 00087844), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25/03/2021 in terms of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing candidature of Shri Abhishek Singhania for the office of Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. **Appointment of Shri Vedang Hari Singhania (DIN-08948420) as a Director**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Shri Vedang Hari Singhania (DIN: 08948420), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29.06.2021 in terms of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing candidature of Shri Vedang Hari Singhania for the office of Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. **Appointment of Shri Sanjay Jain (DIN-01014176) as a Director**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Shri Sanjay Jain (DIN: 01014176), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29.06.2021 in terms of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing candidature of Shri Sanjay Jain for the office of Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

J. K. Cotton Ltd.

6. Approval of Remuneration of Shri Ashok Gupta (DIN-00135288) as a Non-Executive Non-Independent Director

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V, and all other applicable provisions of the Companies Act, 2013, (“Act”), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment (s) thereof, for time being in force) and all Guidelines, Circulars and Notifications on managerial remuneration issued by the Central Government from time to time, Articles of Association of the Company and such other consent(s), permission(s) or approval(s) as may be required from appropriate authorities, approval of the members of the Company be and is hereby accorded for payment of remuneration to Shri Ashok Gupta (DIN 00135288), Non-Executive Non-Independent Director, for a period of one year from 01.07.2021 to 30.06.2022 on the terms and conditions be as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as the Board)/Nomination and Remuneration Committee to alter and vary the remuneration as it may deem fit and as may be acceptable to Shri Ashok Gupta notwithstanding that the remuneration so paid may exceed the limits laid down under Section 197(1) read with Schedule V to the Companies Act, 2013 considering his seniority, service contribution to the functioning of the Board/Committees of the Board and in such other manner as the Board of the Company may from time to time determine and the aforesaid remuneration shall be inclusive of all services rendered by him not being services of professional nature whatsoever as may be delegated by the Board/Committee from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the members and the approval of the members of the company shall be deemed to have been given thereto expressly by the authority of this resolution.”

By Order of the Board of Directors
For J. K. Cotton Limited

Place: Kanpur
Date: 9th August, 2021

Harshit Gunani
Company Secretary

J. K. Cotton Ltd.

NOTES:

1. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself/herself. Such proxy/proxies need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material fact annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday the September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive)** for the purpose of Annual General Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members are requested to notify immediately change of address, if any, to the Company's Registrar & Share Transfer Agent in respect of their shareholding by mentioning folio nos., etc. Form of change of address is also available on website of the company i.e. www.jkcotton.com.
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 21 September, 2021 through email on harshit@jkcotton.com and investorservices@jaykayenterprises.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
7. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the company to consolidate their holdings in one folio.
8. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company. Blank forms will be supplied on request.
9. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.
- 10. Instructions for shareholders for Remote e-voting and e-voting during AGM are as under**
 1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and 02/2021 dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

J. K. Cotton Ltd.

Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with the Annual Report has been uploaded on the website of the Company i.e. www.jkcotton.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020. The Notice of AGM along with Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on September 25, 2021 at 9:00 am and ends on September 27, 2021 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) **All the demat account holders** have been provided the facility of e-voting **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

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Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use their first two letters of their names followed by the Serial Number.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz harshit@jkcotton.com and investorservices@jaykayenterprises.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at harshit@jkcotton.com and investorservices@jaykayenterprises.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email-id, mobile number at harshit@jkcotton.com and investorservices@jaykayenterprises.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to harshit@jkcotton.com and investorservices@jaykayenterprises.com
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex,

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Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

11. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
12. For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. .
13. The Scrutinizer shall submit his report to the Chairman. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after declaration of the results by the Chairman or a person authorized by him in this behalf.

Subject to receipt of requisite number of votes, the Resolutions shall deemed to be passed on the date of the Annual General Meeting i.e. Tuesday, September 28, 2021.

14. The voting rights of the Members shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. 21st September, 2021.
15. The Company has appointed M/s. Banthia & Co., (Prop. G. K. Banthia) of Kanpur, Practicing Company Secretaries (C.P. No. 1405) as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
16. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
17. In terms of the Rule 9A(3)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Every holder of securities of an unlisted public company, who intends to transfer such securities on or after 2nd October, 2018, shall get such securities dematerialized before the transfer. In view of the above, Members are advised to dematerialized shares held by them in physical form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3: -

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 25th March, 2021 appointed Shri Abhishek Singhania (DIN: 00087844) as Additional Director of the Company to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company and further, he was designated by the Board as Chairman and Managing Director of the Company. The approval of the members to his appointment as Managing Director of the Company has already been obtained via Postal Ballot on 27th July, 2021.

Shri Abhishek Singhania having rich and varied business experience and the Board considers that his appointment as a Director of the Company would immensely benefit the Company.

Shri Abhishek Singhania is not disqualified from being appointed as Managing Director in terms of Section 164 of the Act and Schedule V to the Companies Act, 2013. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Abhishek Singhania for the office of Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Abhishek Singhania himself and their relatives may be deemed to be concerned or interested in the Resolution.

As required under the Secretarial Standard on General Meetings (SS-2), the relevant details in respect of the appointee are as under:

Name of the Director	Abhishek Singhania
DIN	DIN-00087844
Date of Birth	06.04.1973
Nationality	Indian
Date of Appointment on the Board	25.03.2021
Qualification	Graduate in Commerce
Expertise in Specific functional area	Shri Abhishek Singhania (DIN-00087844) is the co-founder & has served as Managing Director of JK Technosoft Ltd ('JKT') and leads the company's global operations together with the Board and Management Team. He has served as Special Executive in J.K. Cement Ltd. looked after Corporate Affairs at H.O. level till 31 st March, 2021
Terms and conditions of appointment or re-appointment	He was appointed as Additional Director w.e.f. 25 th March, 2021 and further designated as Chairman and Managing Director from 1 st April, 2021 by the Board in its meeting held on 25 th March, 2021. The approval of the members to his appointment as Managing Director of the Company has already been obtained via Postal Ballot on 27 th July, 2021. Now, it is proposed to regularize his appointment as a Director in the ensuing Annual General Meeting.
Number of shares held in the Company	67,48,484 equity shares (28.62%), 30,84,720 Preference Shares (70.40%)
List of the directorship held in other Companies*	1. Jaykay Enterprises Limited 2. J. K. Traders Limited 3. Manphul Trading and Finance Company Private Limited 4. J K Technosoft Limited 5. Udbhav Finance and Investment Company Private Limited 6. Dwarkadhish Finance and Investment Company Private Limited 7. PGA Securities Private Limited 8. Nebula3d Services Private Limited 9. Merchants Chamber of Uttar Pradesh 10. Uttar Pradesh Cricket Association 11. Diensten Tech Limited 12. Neumesh Labs Private Limited

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	13. B.G.K. Infrastructure Developers Private Limited
Number of Board Meeting attended during the year	One meeting of the Board of Directors of the company was attended by Shri Abhishek Singhania after his appointment as a Director with effect from 25 th March, 2021.
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	Member Nomination and Remuneration Committee JK Technosoft Limited Member Stakeholders Relationship Committee Jaykay Enterprises Limited

ITEM NO. 4: -

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 29th June, 2021 appointed Shri Vedang Hari Singhania (DIN:08948420) as Additional Director of the Company to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company.

Shri Vedang Hari Singhania having rich and varied business experience and the Board considers that his appointment as an Additional Director of the Company would immensely benefit the Company.

Shri Vedang Hari Singhania is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Vedang Hari Singhania for the office of Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Vedang Hari Singhania himself and their relatives may be deemed to be concerned or interested in the Resolution.

As required under the Secretarial Standard on General Meetings (SS-2), the relevant details in respect of the appointee are as under:

Name of the Director	Shri Vedang Hari Singhania
DIN	DIN-08948420
Date of Birth	26/12/1997
Nationality	Indian
Date of Appointment on the Board	29.06.2021
Qualification	Bsc in Business Administration
Expertise in Specific functional area	Shri Vedang Hari Singhania (DIN-08948420) is a Bsc in Business Administration and is currently working as a Program Manager in J. K. Technosoft Limited
Terms and conditions of appointment or re-appointment	Promoter, Non-Executive, Non-Independent
Number of shares held in the Company	NIL
List of the directorship held in other Companies*	1 Diensten Tech Limited 2 J. K. Traders Limited
Number of Board Meeting attended during the year	None
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	None

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ITEM NO. 5: -

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 29th June, 2021 appointed Shri Sanjay Jain (DIN: 01014176) as Additional Director of the Company to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company.

Shri Sanjay Jain having rich and varied business experience and the Board considers that his appointment as an Additional Director of the Company would immensely benefit the Company.

Shri Sanjay Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Sanjay Jain for the office of Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Sanjay Jain himself and their relatives may be deemed to be concerned or interested in the Resolution.

As required under the Secretarial Standard on General Meetings (SS-2), the relevant details in respect of the appointee are as under:

Name of the Director	Shri Sanjay Jain
DIN	DIN-01014176
Date of Birth	27-10-1966
Nationality	Indian
Date of Appointment on the Board	29.06.2021
Qualification	B Com (Hons) from Shriram College of Commerce, Delhi – 1987 Chartered Accountancy – 1990; Diploma in Business Finance – ICFAI -1992
Expertise in Specific functional area	Mr. Sanjay Kumar Jain has a wide experience of 31 years in Corporate Finance and Investor Relations and has worked in Agribusiness, Media and Alcobev sectors. He has been Director at Taj Capital Partners Pvt. Limited since August 2005. Formerly started his career in 1990 from JM financial & Investment Consultancy Services Ltd. New Delhi; after that joined Ranbaxy Laboratories Limited, Price water house Coopers Limited. Between 2000-2005, he worked with Rabobank India (Subsidiary of Rabobank, Netherlands), New Delhi and was Director & Head Relationship Management, North India, Local Corporates & Government Group. He also worked as financial advisor to New Delhi Television Ltd. (NDTV) and Consultant to Warburg Pincus (Private Equity).
Terms and conditions of appointment or re-appointment	Non-Executive Non-Independent
Number of shares held in the Company	NIL
List of the directorship held in other Companies*	1. Shree Shubham Logistics Limited 2. Taj Capital Partners Private Limited 3. PGA Securities Private Limited 4. Sarth Agbev And Energy Private Limited 5. B.G.K. Infrastructure Developers Private Limited
Number of Board Meeting attended during the year	None
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	None

ITEM NO. 6: -

The Board of Directors of the Company is of the view that it is necessary that adequate remuneration should be given to the deserving Non-Executive Directors so as to compensate them for their time, attention and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company. Accordingly, approval of the Members is sought by way of a Special Resolution under Section 196, 197, 198 of the Companies Act, 2013 and Schedule V for payment of remuneration to Shri Ashok Gupta, Non-Executive Non-Independent Director of the Company who is not in whole- time employment of the Company a consolidated amount of Rs. 2 Lacs per month and reimbursement of out of pocket expenses incurred during performance of his duties as Non-Executive Director in accordance with the aforesaid provisions of the Act, to be paid in such amounts or proportions and in such manner as the Board of Directors of the Company may from time to time determine on the basis of the recommendations of the Nomination and Remuneration Committee of the Board.

Shri Ashok Gupta (DIN: 00135288), Non-Executive Non-Independent Director of the Company bring with him significant professional expertise and rich experience across various functional areas. He is a qualified Chartered Accountant having more than 3 decades of experience in the field of Accounts and Finance and considering the past services rendered by him the Nomination & Remuneration Committee in its meeting held June 28, 2021 and Board of Directors in its meeting held on June 29, 2021 approved the payment of remuneration for a period of one year commencing from July 1, 2021 to June 30, 2022 on the terms and conditions set out in the Board Resolution, subject to the approval of the members of the Company in General Meeting.

A summary of the said terms and conditions relating to remuneration of Shri Ashok Gupta as a Non-Executive Non-Independent Director are as follows:

Term of Appointment: For a period from July 1, 2021 to June 30, 2022.

Terms of Remuneration: As per recommendations of the Nomination and Remuneration Committee and the resolution duly passed in the Meeting of Board of Directors held on June 28, 2021 and June 29, 2021, respectively, the remuneration proposed is as follows: -

- A. Consolidated Salary (all inclusive): Rs. 2,00,000/- (Rs. Two Lac Only) per month as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors;
- B. Facility of Mediciclaim - As per Company's Policy

In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or the Amendment thereto, this Resolution shall continue to remain in force and the reference to various provisions of the Companies Act, 2013, or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

Other Terms & Conditions:

- A. He shall be entitled to sitting fee for attending the meeting of the Board or Committee thereof.
- B. The Company and/or Shri Ashok Gupta may terminate this appointment by giving three calendar months' prior notice in writing to either party;

The details as required under Schedule V (Part II) (Section II) of the Companies Act, 2013 are annexed herewith.

The Ministry of Corporate Affairs has on March 18, 2021, notified certain amendments to the provisions of Companies Act, 2013 which allows payment of remuneration to the Non-Executive Directors, including Independent Directors (referred as "NEDs") in the event of no profits or inadequate profits in any financial year. Schedule V has also been amended suitably to include enabling provisions and limits for allowing payment of remuneration to the NEDs in the event of no profit or inadequate profit.

Further, the approval has already been put up for the approval of Shareholder via Postal Ballot vide Postal Ballot Notice dated 14th June, 2021 to increase the individual and overall limit of managerial remuneration payable to the managerial personnel and other Directors of the Company from the Financial Year 2021-22 onwards notwithstanding that the remuneration so paid may exceed the limits laid down under Section 197(1) read with Schedule V of the Companies Act, 2013." The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Shri Ashok Gupta and his relatives may be deemed to be concerned or interested in the proposed Resolution to the extent of the remuneration that may be received by him. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

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STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

I. GENERAL INFORMATION					
(i)	Nature of Industry	Real Estate			
(ii)	Date of commencement of Commercial Production	The Company is in operation since 1924.			
(iii)	Financial Performance based on given indicators				
		Particulars	F.Y. 2018-19 (Rs. In Lacs)	F.Y. 2019-20 (Rs. In Lacs)	F.Y. 2020-21 (Rs. In Lacs)
		Turnover	1484.58	2308.29	6586.91
		Net Profit	464.49	10.79	2515.67
(iv)	Foreign investments or collaboration, if any	NIL			

II. INFORMATION ABOUT THE NON-EXECUTIVE DIRECTOR WHOSE REMUNERATION IS BEING APPROVED:

(i)	Background details	Shri Ashok Gupta is a Qualified Chartered Accountant having more than 3 decades of experience in the field of Accounts and Finance.
(ii)	Past remuneration	Not Applicable
(iii)	Recognition or rewards	Shri Ashok Gupta is already serving the Company as Non-Executive Director since eight years. He also served as Managing Director of the Company for a short span of time from 10.11.2020 to 31.03.2021. Shri Ashok Gupta is also held the position of Managing Director of Jaykay Enterprises Limited till 30.06.2021.
(iv)	Job Profile and his suitability	Shri Ashok Gupta through his active participation in the discussions at the Meetings of the Board of Directors has been guiding the Management in the matters relating to supervision and control of the overall affairs and operations of the Company. He is involved in an advisory capacity in the policy planning, vision and strategy and long term development activities of the Company.
(v)	Remuneration proposed	As stated in the special resolution at Item No. 6 of this Notice.
(vi)	Comparative remuneration profile of the Industry	The remuneration as proposed of Shri Ashok Gupta is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its businesses.
(vii)	Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any	Shri Ashok Gupta does not holds any Shares (Equity or Preference) of the Company and except for the payment of remuneration and sitting fees which he receives for attending meetings of the Board/Committees of the Company, he does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION:

(i)	Reasons of loss or inadequate profits	As per Audited Balance Sheet of the Company as on 31.03.2021, the Company earned a Net Profit (before Tax) amounted to Rs. 33.33 Crores. However, the Company has carried forward losses to the tune of Rs. 67.98 Crores as on 31.03.2021, which are likely to be set off against profits of the coming years. The proposed remuneration, therefore exceed the ceiling mentioned in the Section-II Part-II of Schedule V.
(ii)	Steps taken or proposed to be taken for improvements	The Company has embarked on a series of strategic and operational measures that are expected to result in the improvement in the present position. The inherent strengths of the Company, especially its reputation is also expected to enable the Company to position itself during adversities. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.
(iii)	Expected increase in productivity and profits in measurable terms	It is expected that during current financial year the turnover and profitability of the Company will improve significantly in the coming years considering the present performance and future outlook.

J. K. Cotton Ltd.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their 98th Annual Report together with the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2021.

1. FINANCIAL SUMMARY AND HIGHLIGHTS:

Particulars	2020-2021 (Rs./lacs)	2019- 2020 (Rs./lacs)
Sales	6586.91	2308.29
Profit/(Loss) Before Finance Cost and Depreciation	2476.35	718.46
Finance Cost	(180.00)	(180.00)
Profit/(Loss) Before Depreciation	2296.35	538.46
Depreciation	(43.21)	(26.19)
Profit/(Loss) Before Tax	2253.14	511.97
Transfer from Capital Reserve	1080.69	283.19
Profit/(Loss) Before Tax	3333.83	795.16
Add: Tax Expense (Incl. Def. Tax & Tax Adjustment of earlier years)	(819.45)	491.97
Profit/(Loss) for the year from continuing operations	2514.37	1287.13
Profit/(Loss) from discontinued operations	-	1271.93
Profit/(Loss) for the year	2514.37	15.20
Other Comprehensive Income	1.30	(4.41)
Total Comprehensive Profit/ (Loss)	2515.67	10.79

The Company earned a Net Profit of Rs. 25.16 crores compared to Rs. 0.11 crores in the previous year.

The Board of Directors of your company has decided to transfer the amount of profits earned during FY 2020-21 to Retained Earnings for the year under review.

2. DIVIDEND

In view of carried forward losses, the Directors are unable to recommend dividend.

3. STATE OF AFFAIRS OF THE COMPANY

A- EMERALD GULISTAN:-

For Phase-1, Layout plan consisting of 445 residential plots (and remaining land for future development) was sanctioned by Kanpur Development Authority and for which Completion Certificate has been issued by Kanpur Development Authority on 14.07.2016. In Phase-1 the Company, is selling 413 residential plots out of which Company had booked 345 plots, 90 Independent Floors (on 30 plots) out of which the Company had booked 81 Independent Floors, 2 Villas (on 2 Plots) out of which company had booked 1 Villa as on 31.03.2021. For Phase-1, the Company had to construct 45 LIG and 45 EWS units as per Government norms, which the Company had already constructed and also got Completion Certificate for the same by Kanpur Development Authority on 10.03.2017. All 45 LIG and 45 EWS units were allotted by Kanpur Development Authority.

In phase-2, the Company had developed 216 plots and Completion Certificate has been obtained by Kanpur Development Authority on 28.02.2020, the Company had booked 187 plots in phase-2 till 31.03.2021. In Phase-3, the Company is Developing 143 plots out of which the Company had booked 41 plots till 31.03.2021 and in phase-4, the Company had developed 64 plots out of which the Company had booked 41 plots till 31.03.2021.

B- EMERALD ORCHARD:-

The Company had earlier decided to undertake two Affordable Housing (EWS) Project(s) under Pradhan Mantri Awas Yojana to be developed by the Company on its property situated at 84/29 and 84/50, Kalpi Road, Kanpur respectively and the project had been named "Emerald Orchard". The Company had submitted its tender documents in the revised PMAY scheme to undertake Affordable Housing (EWS) Project(s) under Pradhan Mantri Awas Yojana to be developed on its property situated at 84/29, Kalpi Road, Kanpur and the approval from State Government is awaited.

4. SHARE CAPITAL

The paid up Equity Share Capital and paid up Preference Share Capital as at March 31, 2021 stood at Rs. 23,57,77,500/- and Rs. 43,81,72,000/-. The Company neither issued nor redeemed any Shares during the Year under review. During the Year under review, the Company obtained the consent of the Sole Preference Shareholder of a class of Preference Shares w.r.t 15,720 Preference Shares and thereby extended the period of redemption of the said Preference Shares from 23rd August, 2021 to 23rd August, 2036.

5. RECLASSIFICATION FROM PERSONS BELONGS TO 'PROMOTER GROUP' AND PAC CATEGORY TO 'PUBLIC' CATEGORY

Your Company has received letters from Yadu International Limited and Mr. Anil Kumar Agarwal (herein referred to as "Outgoing Promoters") to reclassify their status from "Promoter and Promoter Group Category" to "Public Category". The Board in its meeting held on 25.03.2021 recorded that consequent to the transmission of Shares from Late Sh. Yadupati Singhania on 22.12.2020, Shri Abhishek Singhania has acquired the control of the Company and has become the Major Individual Promoter of the Company. Accordingly, the Promoters have been reclassified as follows:

1. Shri Abhishek Singhania,
2. M/s Jaykay Enterprises Limited
3. M/s J. K. Traders Limited
4. Mrs. Kavita Singhania
5. Mrs. Sushila Devi Singhania
6. Shri Ramapati Singhania

6. LOANS, GUARANTEE AND INVESTMENT

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

7. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the period under review, no significant and material orders were passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. PUBLIC DEPOSITS

Your Company has not accepted any deposits from public/shareholders in accordance with Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount on account of principal or interest on deposits from public as outstanding as on 31 March 2021.

9. WHISTLE BLOWER POLICY/ VIGIL MECHANISM SYSTEM

The company as per the section 177 of the Companies Act, 2013 has in place the Vigil (Whistle Blower) Mechanism, which aims to provide a channel to the Directors and employees to report to the management instances of unethical behavior, actual or unsuspected fraud or violation of the Company's code of conduct. The policy provides adequate safeguards against victimization of employees and Directors who avail of Whistle Blower/Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee etc.

10. SEXUAL HARRASMENT OF WOMEN AT WORKPLACE

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace, which has been uploaded on the website of the Company i.e. www.jkcotton.com. All women employees are covered under the policy. An Internal Complaints Committee had been set up to redress complaints relating to sexual harassment.

During the year, the Company received no complaint on sexual harassment. Hence, there were no complaints pending for more than 90 days.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility Committee of the Company has been functioning in pursuance of the provisions of Section 135 of the Companies Act, 2013.

Composition of Committee:

Dr. Krishna Behari Agarwal, Chairman
Shri Ashok Gupta, Member
Shri Jagannath Gupta, Member

During the financial year ended 31st March, 2021, Two CSR Committee Meetings were held on the following dates:-

- a) 29th June, 2020
- b) 11th February, 2021

The Annual Report on CSR activities is annexed herewith as “Annexure A”.

12. MAINTENANCE OF COST RECORDS

The Company is required to maintain cost records during FY 2021-22 under sub-section (1) of Section 148 of the Companies Act, 2013 as its turnover during FY 2020-21 exceeds the threshold limit of Rs. 35 Crores prescribed under Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

13. RISK MANAGEMENT

The company has implemented a Risk Management Policy, which aims to identify and assess elements of risks, which in the opinion of the Board may threaten the existence of the company, and to take appropriate steps to manage the risks.

Audit Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing implementation of Company's risk management policy, (b) Overseeing all the risks that the organization faces, identification and assessment of risks and maintaining adequate risk management infrastructure in place capable of addressing those risks and (c) Overseeing all the risks that the organization faces, identification and assessment of risks and maintaining adequate risk management infrastructure in place capable of addressing those risks.

14. REMUNERATION POLICY

The Company has in place a policy, which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Remuneration Policy is available on the website of the Company at www.jkcotton.com. This policy also lays down criteria for determining qualifications, positive attributes and independence of a director.

The salient features of Company's Remuneration policy are:

1. Remuneration is based on the principles of:
 - (i) pay for responsibility
 - (ii) pay for potential and
 - (iii) pay for growth.
2. The Nomination and Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Managing Director and other KMPs including details of fixed components and performance linked incentives.

Appointment of the Non-executive Directors on the Board is for the benefit of the Company due to their vast professional expertise in their professional capacity. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various committees of the Board.

15. RELATED PARTY TRANSACTIONS

All transactions with Related Parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions, which are of a foreseen and repetitive nature. The Board notes the transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties is placed before the Audit Committee and the Board of Directors for their perusal and noting on a quarterly basis.

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During the year under review, all transactions entered into with related parties during the year were on an arm's length pricing basis and were in the ordinary course of business. Moreover, there were no material related party transactions i.e. transactions exceeding the limits prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, as amended. Thus, disclosure in form AOC-2 is not required. Suitable disclosure has been made in the Annual Report.

16. **AUDITORS**

16.1 Observations of the Auditors are explained wherever necessary in the appropriate Notes to Accounts and call for no further comments.

16.2 The present Auditors, M/s. Gupta Vaish & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 94th Annual General Meeting in pursuance of section 139(2) of the Companies Act, until the conclusion of 99th Annual General Meeting. The said appointment was subject to ratification by shareholders at each annual general meeting to be held thereafter. However, due to subsequent amendments in the Companies Act, 2013 the aforesaid requirement of ratification by shareholders at each annual general meeting is no longer required.

16.3 There are no qualifications contained in the audit report.

16.4 No frauds were found and hence none were reported by auditors under sub-section (12) of section 143.

17. **SECRETARIAL AUDITOR**

The Board has appointed M/s. Banthia & Co, Practising Company Secretaries (Prop. Mr. G. K. Banthia) of Kanpur, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. (See Annexure B)

18. **INTERNAL AUDITOR**

The Board has appointed M/s. O. P. Bagla & Co. LLP, Chartered Accountants, to conduct internal Audit during the Financial Year 2021-22. The internal auditors of the Company report to the Audit Committee at quarterly meetings.

19. **INTERNAL FINANCIAL CONTROLS**

The company's internal control system is designed to ensure orderly and efficient conduct of business, adherence to company's policies, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. Efforts are made by the management to maintain a sound financial and commercial practice capable of improving the efficiency of the operations and sustainability of the business. The system ensures that all the assets are safeguarded and protected against loss from unauthorized use or disposition and those are recorded and reported correctly. All operating parameters are monitored and controlled.

The Audit Committee also reviews the adequacy and effectiveness of internal financial controls and suggests improvement for strengthening them, from time to time.

20. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

20.1 In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Ashok Gupta, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

20.2 The Company has received declarations from all the Independent Directors of the Company under section 149(7) confirming that they meet the criteria of independence as prescribed under section 149(6) the Companies Act, 2013.

20.3 The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

20.4 Shri Yadupati Singhania, Past Chairman and Managing Director of the Company passed away on August 13, 2020. You directors express their profound grief and condolence.

20.5 Shri Abhishek Singhania was appointed as Managing Director of the Company by the Board on 07.09.2020 but due to his pre-occupations, he tendered his resignation on 10.11.2020. Consequently, Shri Ashok Gupta was appointed by the Board in its meeting held on 10.11.2020 and served as Managing Director of the Company for a short span of time from 10.11.2020 to 31.03.2021.

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20.6 Shri Abhishek Singhania was appointed as Additional Director by the Board in its meeting held on 25th March, 2021 to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularisation of his appointment in the ensuing Annual General Meeting of the Company. The Board of Directors recommend his appointment as Director of the Company.

Also, Shri Abhishek Singhania had been appointed as Managing Director by the Board in its meeting held on 25th March, 2021 and his appointment has been put up for the approval of Shareholder via Postal Ballot vide Postal Ballot Notice dated 14th June, 2021.

20.7 Shri Padam Kumar Jain, Director of the Company passed away on May 12, 2021. You directors express their profound grief and condolence

20.8 Shri Nidhipati Singhania, Director of the Company resigned from the Board w.e.f. 23.06.2021

20.9 The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2 (51) and Section 203 of the Companies Act, 2013, read with Rules framed thereunder

1. Shri Abhishek Singhania, Chairman & Managing Director
2. Ms. Sonali Agarwal, Chief Financial Officer
3. Shri Harshit Gunani, Company Secretary

20.10 Shri Krishna Das Gupta, Shri Padam Kumar Jain and Shri Ravindra Kumar Tandon were re-appointed for second term as the independent directors during the year in the AGM of the Company held on 11.08.2020. In the opinion of the Board, the appointee Independent Directors possess the required integrity, expertise, experience and proficiency.

21. MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31st March, 2021, Six Board Meetings were held on the following dates:-

- a) 30th June, 2020
- b) 21st August, 2020
- c) 7th September, 2020
- d) 10th November, 2020
- e) 12th February, 2021
- f) 25th March, 2021

22. AUDIT COMMITTEE

During FY 2020-21, the Audit Committee of the Company comprised of the following Directors namely:

- i. Dr. Jagannath Gupta, Chairman
- ii. Shri Ravindra Kumar Tandon, Member
- iii. Dr. Krishna Behari Agarwal, Member
- iv. Shri Padam Kumar Jain, Member*

All the recommendations made by the Audit Committee were accepted by the Board.

*Shri Padam Kumar Jain, Director of the Company passed away on May 12, 2021.

During the financial year ended 31st March, 2021, Four Audit Committee Meetings were held on the following dates: -

- a) 30th June, 2020
- b) 21st August, 2020
- c) 10th November, 2020
- d) 12th February, 2021

23. NOMINATION & REMUNERATION COMMITTEE

During FY 2020-21, the Nomination & Remuneration Committee of the Company comprised of the following directors:

- i. Dr. Krishna Behari Agarwal, Chairman
- ii. Shri Krishna Das Gupta , Member
- iii. Shri Nidhipati Singhania, Member

During the financial year ended 31st March, 2021, Four Meeting of Nomination & Remuneration Committee were held on the following dates: -

- a) 29th June,2020
- b) 7th September,2020
- c) 9th November,2020
- d) 25th March,2021

24. STAKEHOLDERS' RELATIONSHIP COMMITTEE

During FY 2020-21 Stakeholders' Relationship Committee of the Company comprised of the following directors:

- i. Dr. Jagannath Gupta, Chairman
- ii. Dr. Krishna Behari Agarwal, Member
- iii. Shri Ashok Gupta , Member

During the financial year ended 31st March, 2021, Four Stakeholders' Relationship Committee Meetings were held on the following dates:-

- a) 30th June,2020
- b) 21st August,2020
- c) 10th November,2020
- d) 12th February,2021

25. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND ITS DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual evaluation of its own performance as well as the performance of Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Committee of Directors on various parameters including effectiveness of decision-making process, risk management, providing necessary advice to management, effectiveness of communication and participation, etc.

The Board of Directors also evaluated performance of its individual directors on various parameters including attendance, effective participation in meeting, maintaining confidentiality and rendering independent, unbiased opinion and resolution of issues at meetings.

26. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts on a going concern basis;
- v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

As there has been no manufacturing operation during the year, there is nothing to be reported with regard to conservation of energy and technology absorption. Moreover, there were no foreign exchange earnings and outgo during the year under review and hence, no information is reported in this regard in the Annual Report.

29. ANNUAL RETURN

Annual Return of the Company as required under the Companies Act, 2013 will be available on the website of the Company at www.jkcotton.com.

30. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting: Date /Time: Tuesday, 28th September, 2021 at 11.00 AM.

Venue: through VC/OAVM.

Date of Book Closure: Tuesday, the 21st September, 2021 to Tuesday, the 28th September, 2021.

(Both Days Inclusive)

Depository Details: The equity shares of the Company are admitted in NSDL and ISIN No. "INE088U01015" has been allotted to the Company. Hence, the equity shares of the Company can be dematerialized by the shareholders. 2,24,73,910 Equity Shares of face value of Rs. 10/- each representing 95.32% of the paid up Equity Capital of the Company have been dematerialized till 31.03.2021.

Registrar/Transfer Agent: M/s Jaykay Enterprises Ltd. having its Registered Office at Kamla Tower, Kanpur is Registrar/Transfer Agent of the Company, who provides all services for Share registry in physical as well as demat segment.

Address for Correspondence:

Jaykay Enterprises Limited

Kamla Tower, Kanpur-208001

. (0512) 2371478-481

Email: investorservices@jaykayenterprises.com

www.jaykayenterprises.com

Share Transfer System: Share Transfer work & other activities of physical as well as demat segment is attended to by the Company's Registrar & Transfer Agents within the prescribed period in accordance with law. All share transfers etc. are approved by Committee of Directors, which meets periodically.

31. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received from bankers, government authorities, customers, agents, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services rendered by the executives, staff and workers of the Company.

Place: Kanpur

Dated: 29th June, 2021

For and on behalf of the Board

(Abhishek Singhania)
Chairman & Managing Director

ANNEXURE A

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

The revised CSR Policy was approved by the Board of Directors at its Meeting held on 11th February, 2021 and has been uploaded on the Company's website.

Your Company is committed to spend a minimum of 2% of the average net profits for the immediately preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities. The Company's commitment to CSR will be manifested by investing resources in any of the areas enumerated in Schedule VII of the Companies Act, 2013.

The Company undertook the following projects during the year:

1. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Krishna Behari Agarwal	Independent Director. Chairman.	2	2
2	Shri Ashok Gupta	Non-Executive Non- Independent Director. Member.	2	2
3	Shri Jagannath Gupta	Independent Director. Member.	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The Web-link to Composition of CSR committee and CSR projects or programs is <http://www.jkcotton.com/csr.html>.

The web link to the CSR Policy is [http://jkcotton.com/pdf/policies/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%20\(1\).pdf](http://jkcotton.com/pdf/policies/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%20(1).pdf)

J. K. Cotton Ltd.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable for the Financial Year 2020-21.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - *NIL*

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
Total			

6. **Average net profit of the company as per section 135(5):** The average Net Profit as per section 135(5) is Rs. 1.24 Crores.

7. (a) **Two percent of average net profit of the company as per section 135(5):**

Prescribed CSR Expenditure is two percent of the amount as in item 3 above i.e. Rs. 2,48,085/-. Hence, Rs. 2,48,085/- was required to be spent during the Financial Year 2020-21.

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** *NIL*

(c) **Amount required to be set off for the financial year, if any:** *NIL*

(d) **Total CSR obligation for the financial year (7a+7b-7c):** *NIL*

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,50,000	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

J. K. Cotton Ltd.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NOT APPLICABLE												
TOTAL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1	Grant of Financial Assistance to Dr. Gaur Hari Singhania Institute of Management and Research, for promoting education, especially employment oriented Professional programmes like PGDM in Kanpur.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Kanpur Nagar	2,50,000/-	Yes	N/A	N/A
TOTAL									

J. K. Cotton Ltd.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 2,50,000/-

(g) Excess amount for set off, if any: Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

J. K. Cotton Ltd.

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NOT APPLICABLE**

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): *Not Applicable***

Sd/-

Abhishek Singhanian
Chairman and Managing Director
(DIN: 00087844)

Sd/-

Shri Krishna Behari Agarwal
Chairman, CSR Committee
(DIN: 00339934)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
J. K. Cotton Ltd.
Kamla Tower, Kanpur.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J. K. Cotton Ltd.(hereinafter called the company).Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry Of Corporate Affairs/other Authorities warranted due to spread of Covid-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have relied upon the accuracy of the documents and information as shared by the Company with me through appropriate Information Technology tools to assist us in completing the secretarial audit work during lock down period due to pandemic Covid-19 and the same is subject to physical verification by me post normalization of the situation.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by J.K. Cotton Ltd. for the financial year ended on 31ST March, 2021 according to the provisions of:

- (1)The Companies Act, 2013 (the Act) and the rules made there under;
- (2)The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (NA)
- (3)The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4)Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (5)The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')(NA)
 - (a)The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (NA)

(b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (NA)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d)The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014 (NA)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(NA)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(NA)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (NA)

(Note: The shares listed on the UPSE and DSE Exchanges ceased to be recognized Stock Exchanges during F.Y 2015-16 and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 also ceased to be effective. The shares of the Company have been removed from the Dissemination Board of BSE and NSE.)

(6) I further report that reliance has been placed on the management representation on compliance with other laws and specific Law; the Real Estate (Regulation And Development) Act 2016 and Uttar Pradesh Real Estate Regulatory Authority (General) Regulations 2019 as amended from time to time is applicable to the company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, including revised SS1 & SS2 w.e.f. 01.10.2017

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (N.A.)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days/as per applicable provisions in advance, and a system exists for

seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no other events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. during the period under review except:

- (a) Lock down owing to Covid-19 pandemic was declared on March 24th 2020, for six weeks and then from time to time in different parts of the Country, the same has impacted the economy and spending by consumer/customer in general and real estate industry with no exception.
- (b) The Company is engaged in Real Estate activities only.
- (c) Company has undertaken project under Affordable Housing (EWS) under revised UP Govt. Notification No. 2/2018/1132/Aath-1-18-106 Vividh /2018 dated 12.07.2018 under Pradhan Mantri Aawas Yojana and submitted bid with KDA in this connection. Application is pending for approval.
- (d) The Company has filed appeal against Order passed in 2018 in Hon'ble High Court of Delhi against long pending suit of 1990 for recovery of claim in favour of a private ltd. company amounting to Rs.41.27 lacs plus 18% interest and cost of suit. Hon'ble High Court has issued stay in the said matter and directed for deposit of 2/3rd of the decretal amount with Registrar General, Delhi High Court.
- (e) Sad demise of Shri Y. P. Singhania ji , a renowned Industrialist, Promoter Director of the Company .Consequently there has been change in promoter group / shareholding pattern of the Company. Shri Abhishek Singhaniaji is now the Promoter, Director and Chairman of the Company. Form BEN 2 under Companies Act, 2013 for disclosure of beneficial interest in promoter category has been filed.
- (f) Dividend not paid for 2 years on preference shares. Hence, Preference Shareholders entitled for voting on all resolutions to be placed before general meeting

Signature

Place : Kanpur
Date : 28.06.2021
UDIN : A004933C000530766

Banthia and Company
Company Secretaries
(G.K.Banthia)
(Proprietor)
ACS No. : 4933; C.P. No. :1405

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members
J. K. Cotton Ltd.
Kamla Tower
Kanpur

Our report of even date is to be read along with this letter.

1. It is the responsibility of the management of the company to maintain secretarial record, devise proper systems to ensure compliance with the provisions of all the applicable laws and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on the secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of finance records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kanpur
Date : 28.06.2021
UDIN : A004933C000530766

Sd/-
Banthia and Company
Company Secretaries
(G.K.Banthia)
(Proprietor)
ACS No. : 4933; C.P. No.:1405

INDEPENDENT AUDITOR’S REPORT

To the Members of J K COTTON LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J K COTTON LTD. (“the Company”), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the financial statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in, Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- d. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note No.38)
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Gupta Vaish & Co.
Chartered Accountants
Registration Number: 005087C

Date: 29-06-2021
Place: Kanpur

Rajendra Gupta
(PARTNER)
Membership Number: 073250
UDIN21073250AAAACD4311

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

Re: J.K.COTTON LIMITED

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March, 2021, We report that:

i. In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets other than furniture and fixtures and office equipments.
- (b) The assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company. However, the company does not hold title deeds of some lands, details given below:

Total No. of Cases:	13
Gross Block:	Rs. 3,80,67,756
Net Block:	Rs.3,80,67,756

ii. In respect of its Inventories:

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.

- iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :**

The Company has not granted any loan to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of the Companies (Auditor’s Report) order, 2016, are not applicable to the company.

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made .**

- v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act , 2013 , therefore , the provisions of paragraph 3(v) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- vi. According to information and explanation given to us,maintenance of cost record pursuant to the rules made by the Central Government under sub section (1) of section 148 of the Companies Act,2013 are not applicable to the company.
- vii. According to the information and explanations given to us, in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and services tax, service tax, duty of custom , duty of excise, value added tax , cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund , Employees State Insurance , Income Tax, Sales Tax, goods and services tax , Service Tax, Duty of Custom, Duty of Excise,Goods and Services Tax,Value Added Tax, Cess and other material Statutory dues were in arrear as at 31st March, 2021 for a period more than six months from the date they became payable.

 - (b) According to the records of the company, there are no cases of income tax, goods and services tax , service tax, duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. As the company has no Loan outstanding from Financial institutions, Bank or Debenture holders at any time during the year, the provisions of the Companies (Auditor's Report) Order, 2016 are, therefore, not applicable to the company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, provisions of paragraph 3(ix) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

- x. According to the information and explanations give to us, no material fraud by the company or on the company by its officer or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Therefore the provisions of paragraph 3 (xii) of the Companies (Auditor's Report) order, 2016,are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him, Therefore the provisions of paragraph 3 (xv) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xvi. The company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

For Gupta Vaish& Co.
Chartered Accountants
Registration Number: 005087C

Date: 29-06-2021
Place: Kanpur

Rajendra Gupta
(PARTNER)
Membership Number: 073250

ANNEXURE“B”TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF J.K.COTTON LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of J.K.COTTON LIMITED (“the Company”) as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta Vaish & Co.
Chartered Accountants
Registration Number: 005087C

Date: 29-06-2021
Place: Kanpur

Rajendra Gupta
(PARTNER)
Membership Number: 073250

BALANCE SHEET AS AT 31ST MARCH, 2021

	Note No.	As at 31.03.2021 (₹)	As at 31.03.2020 (₹)
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	1 (a)	87,140,156	90,462,398
(b) Other Intangible Assets	1 (b)	191,616	367,543
(c) Financial Assets			
(i) Others	2	9,891,576	9,716,092
(d) Deferred Tax Assets (net)	3	27,031,033	74,320,917
(e) Other Non Current Assets		-	-
		<u>124,254,381</u>	<u>174,866,950</u>
(2) Current Assets			
(a) Inventories	4	1,988,781,320	2,134,579,869
(b) Financial Assets			
(i) Cash and Cash Equivalents	5	63,306,125	34,827,503
(ii) Bank balances	6	494,847,175	172,772,478
(iii) Loans & Advances	7	81,140,030	59,000,000
(iv) Others	8	11,925,335	8,782,528
(c) Current Tax Assets (Net)	9	-	16,760,543
(d) Other Current Assets	10	56,093,829	62,793,065
		<u>2,696,093,814</u>	<u>2,489,515,986</u>
		<u>2,820,348,195</u>	<u>2,664,382,936</u>
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Equity Share Capital	11	235,777,500	235,777,500
(b) Other Equity	12	394,520,192	251,022,106
		<u>630,297,692</u>	<u>486,799,606</u>
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	438,172,000	438,172,000
(b) Long Term Provisions	14	7,598,942	7,442,129
		<u>445,770,942</u>	<u>445,614,129</u>
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	15	160,867,170	183,488,077
(ii) Other Financial Liabilities	16	52,119,390	52,682,763
(b) Other Current Liabilities	17	1,510,889,476	1,495,558,361
(c) Short term Provisions	18	266,000	240,000
(d) Current Tax Liabilities (Net)	19	20,137,525	-
		<u>1,744,279,561</u>	<u>1,731,969,201</u>
		<u>2,820,348,195</u>	<u>2,664,382,936</u>

Significant Accounting Policies &
Notes on Financial Statements

1- 40

As per our Report attached

**For GUPTA VAISH & CO.,
Chartered Accountants**

Chairman & Managing Director

Directors

Partner

Place : Kanpur

Dated : 29.06.2021

CFO

Company Secretary

J.K.COTTON LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	<u>Note</u> <u>No.</u>	<u>Year ended</u> <u>31.03.2021</u> (₹)	<u>Year ended</u> <u>31.03.2020</u> (₹)
Revenue from operations	20	658,691,268	230829126
Other Income	21	46,950,058	30655898
Total Income		705,641,326	261485024
Expenses			
Changes in Inventories of Finished Goods, Work-In-Progress and Stock In Trade	22	145,798,549	(142856618)
Employee Benefits Expense	23	14,392,658	11694129
Finance Costs	24	18,000,000	18000000
Depreciation and Amortization Expense	25	4,321,437	2648775
Cost of Construction & Development Expenses	26	177,345,541	268974998
Other Expenses	27	120,469,349	51826012
Total Expenses		480,327,534	210287296
Profit/(Loss) Before Tax		225,313,792	51197728
Transfer from Capital Reserve		108,069,265	28319267
Profit/(Loss) Before Tax		333,383,057	79516995
Tax Expenses			
Current Tax	34,300,000		-
Less: MAT credit entitlement	(25,500,000)	8,800,000	
Deferred Tax		73,145,707	(49197423)
Profit/(Loss) for the year from continuing operations		251,437,350	128,714,418
Profit/(Loss) from discontinued operations	28	-	(127193723)
Profit/(Loss) for the year		251,437,350	1520695
Other Comprehensive Income			
A. Items that will be reclassified to profit or loss			
Fair Value change on Equity Instrument through Other Comprehensive Income		-	-
B. Items that will not be reclassified to profit or loss			
Re- measurement of defined benefits plan		130,000	(441000)
Total comprehensive income for the year		251,567,350	1079695
Earning per Equity Share (for continuing operation)			
Basic & Diluted.		10.66	5.46
Earning per Equity Share (for discontinued operation)			
Basic & Diluted.		0.00	(5.39)
Earning per Equity Share of face value of Rs. 10/-each (for discontinued & continuing operations)			
Basic & Diluted.		10.66	0.06

Significant Accounting Policies &

Notes on Financial Statements

1- 40

As per our Report attached

For GUPTA VAISH & CO.,

Chartered Accountants

Chairman & Managing Director

Directors

Partner

Place : Kanpur

Dated : 29.06.2021

CFO Company Secretary

J.K.COTTON LIMITED

Cash Flow Statement for the year ended 31st March, 2021

	<u>2020-21</u>	<u>2019-20</u>
	(₹)	(₹)
A. Cash flow from operating Activities		
Profit/(Loss) before Tax incl. loss from discontinued operations	333,383,055	(47676728)
Adjustments for:		
Adjustment of Capital Reserve	(108,069,265)	(28319267)
Depreciation	4,321,438	10487950
OCI adjustment	130,000	(441000)
Loss on Sale of Fixed Assets	1,007	96810706
Interest expenses	18,000,000	18000000
Profit on Sale of Assets	-	(89973)
Profit on sale of Investments	(1,646,993)	(1150727)
Dividend Received	-	(186300)
Interest income	(21,430,239)	(15006007)
Operating Profit before Working Capital Changes	224,689,002	32428653
(Increase)/Decrease in Inventories	145,798,549	(142856618)
(Increase)/Decrease in Trade receivables	-	-
(Increase)/Decrease in Other financial assets	(175,484)	(223373)
(Increase)/Decrease in Other assets	59,025,054	(13260344)
Increase/(Decrease) in Trade Payables	(22,620,907)	78136790
Increase/(Decrease) in Other financial liabilities	(563,373)	550255
Increase/(Decrease) in Other liabilities	30,543,250	52655171
Increase/(Decrease) in provisions	182,812	1089737
Net Cash Flow from Operations	436,878,903	8520271
Refund/ (Taxes Paid)	(81,945,707)	(846118)
Net Cash From Operating Activities	354,933,196	7674153
B. Cash Flow from Investing Activities		
Movement in fixed deposit	(322,074,697)	(27166219)
Movement in NBFCs	(22,140,030)	(59000000)
Purchase of Fixed Assets	(871,987)	(486558)
Purchase of Investments	(12,500,000)	-
Interest Income	18,287,436	13469268
Dividend Received	-	186300
Sale of Investments	14,146,993	26296193
Sale of Fixed Assets	47,710	54259492
Net Cash From Investing Activities	(325,104,575)	7558476
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Unsecured Loan	-	(20000000)
Interest paid	(1,350,000)	(1800000)
Net Cash Used in Financing Activities	(1,350,000)	(21800000)
Net Increase/(Decrease) in Cash & Cash equivalents	28,478,622	(6567371)
Opening Balance of Cash & Cash equivalents	34,827,503	41394874
Closing Balance of Cash & Cash equivalents	63,306,125	34827503

Note: 1. Cash and Cash Equivalents consist of cheques, drafts, balances with banks and deposits with original maturity of upto 3 months.
2. Reconciliation of cash and cash equivalents
Cash and cash equivalent as per Note No. 5 **63306125** **34827503**

As per our Report attached
For GUPTA VAISH & CO.,
Chartered Accountants

Chairman & Managing Director

Directors

Partner

Place : Kanpur

Dated : 29.06.2021

CFO Company Secretary

J.K.COTTON LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH,2021

A EQUITY SHARE CAPITAL

(Amount in ₹)

Balance at the beginning of the Reporting Period i.e. 1st April, 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the Reporting Period i.e. 31st March, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the Reporting Period i.e. 31st March, 2021
235777500	-	235777500	-	235777500

B OTHER EQUITY

(Amount in ₹)

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Capital Redemption Reserve	
As ON 31 MARCH 2020						
Balance at the beginning of the reporting period i.e., 1st April, 2019	1186521124	20998650	(932444897)	817102	3186800	279078779
Profit/(Loss) for the year			1520695			
Transfer to profit and loss	(28319267)					
Other comprehensive income for the year			(441000)	(817102)		
Balance at the end of the reporting period i.e., 31st March, 2020	1,158,201,857	20998650	(931365202)	0	3186800	251022105

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Capital Redemption Reserve	
As ON 31 MARCH 2021						
Balance at the beginning of the reporting period i.e., 1st April, 2020	1,158,201,857	20998650	(931365202)	0	3186800	251022105
Adjustment for Ind AS 115	(108,069,265)		0			
Profit/(Loss) for the year			251437350			
Transfer to profit and loss	0					
Other comprehensive income for the year			0	130000		
Balance at the end of the reporting period i.e., 31st March, 2021	1050132592	20998650	(679927852)	130000	3186800	394520192

J.K.COTTON LIMITED

Notes on Financial Statements for the Year ended 31st March, 2021

NOTE No. 1(a) PROPERTY, PLANT AND EQUIPMENT

Description of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2019 (₹)	Additions (₹)	Sale/ Adjustments (₹)	As at 31.03.2020 (₹)	As at 01.04.2019 (₹)	Sale/ Adjustments (₹)	For the Year (₹)	Impairment Loss	Upto 31.03.2020 (₹)	As at 31.03.2020 (₹)
<u>Tangible Assets</u>										
Land	38067756	-	-	38067756	-	-	-	-	-	38067756
Buildings	84311216	-	-	84311216	44224786	-	1559701	-	45784487	38526729
Plant & Machinery*	652019503	496127	619812649	32702981	487842406	469011398	6614631	-	25445639	7257342
Furniture & Fittings	9847967	100592	-	9948559	7682960	-	1240187	-	8923147	1025412
Office Equipments.	4745403	116295	-	4861698	3002098	-	97307	-	3099405	1762293
Vehicles	7213595	-	929926	6283669	2432789	750952	778966	-	2460803	3822866
Total	796205440	713014	620742575	176175879	545185039	469762350	10290792	-	85713481	90462398

Description of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2020 (₹)	Additions (₹)	Sale/ Adjustments (₹)	As at 31.03.2021 (₹)	As at 01.04.2020 (₹)	Sale/ Adjustments (₹)	For the Year (₹)	Impairment Loss	Upto 31.03.2021 (₹)	As at 31.03.2021 (₹)
<u>Tangible Assets</u>										
Land	38,067,756	-	-	38,067,756	-	-	-	-	-	38,067,756
Buildings	84,311,216	-	-	84,311,216	45,784,487	-	1,559,702	-	47,344,189	36,967,027
Plant & Machinery*	32,702,981	863,987	81,100	33,485,868	25,445,639	32,383	1,360,192	-	26,773,448	6,712,420
Furniture & Fittings	9,948,559	-	-	9,948,559	8,923,147	-	237,706.63	-	9,160,854	787,705
Office Equipments.	4,861,698	8,000	-	4,869,698	3,099,405	-	294,843	-	3,394,248	1,475,450
Vehicles	6,283,669	-	-	6,283,669	2,460,803	-	693,067	-	3,153,870	3,129,799
Total	176,175,879	871,987	81,100	176,966,766	85,713,481	32,383	4,145,511	-	89,826,609	87,140,156

NOTE No. 1(b) OTHER INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at	Additions	Sale/	As at	As at	Sale/	For the	Impairment	Upto	As at
	01.04.2019		Adjustments	31.03.2020	01.04.2019	Adjustments	Year	Loss	31.03.2020	31.03.2020
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)		(₹)	(₹)
<u>Intangible Assets</u>										
Computer Software	5737011	183785	-	5920796	5356095	-	197158	-	5553253	367543
Total	5737011	183785	-	5920796	5356095	0	197158	-	5553253	367543

2. OTHER INTANGIBLE ASSETS

2. OTHER INTANGIBLE ASSETS										
Description of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at	Additions	Sale/	As at	As at	Sale/	For the	Impairment	Upto	As at
	01.04.2020		Adjustments	31.03.2021	01.04.2020	Adjustments	Year	Loss	31.03.2021	31.03.2021
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)		(₹)	(₹)
Intangible Assets										
Computer Software	5,920,796	-	-	5,920,796	5,553,253	-	175,927	-	5,729,180	191,616
Total	5,920,796	-	-	5,920,796	5,553,253	-	175,927	-	5,729,180	191,616

NOTE

The company does not hold title deeds of thirteen (13) cases of land of which gross block is Rs. 38067756 and net block is Rs. 38067756

J.K.COTTON LIMITED

	As at <u>31.03.2021</u> (₹)	As at <u>31.03.2020</u> (₹)
2 Other Non Current Financial Assets		
Fixed Deposits	9,891,576	9,716,092
	<u>9,891,576</u>	<u>9,716,092</u>
2.1 Fixed Deposits Rs. 9891576 (Previous Year Rs.9716092) pledged with Bank towards Bank Guarantee for EPCG Licence		
3 Deferred Tax (Net)		
a ₁) <u>Deferred Tax Liability</u>		
Difference between Net Book Value of Depreciable Capital Assets As per Books vis-à-vis Written Down Value As Per IncomeTax	3,453,480	(3,822,137)
a ₂) <u>Deferred Tax Asset</u>		
Item Under The Income Tax Act Which Will Be Allowed On Actual Payment	(978,690)	6,498,066
Unabsorbed Losses	-	67,994,988
	<u>2,474,790</u>	<u>70,670,917</u>
b) MAT credit entitlement	29,505,823	3,650,000
	<u>27,031,033</u>	<u>74,320,917</u>
4 Inventories		
a) Work In Progress - Real Estate	1,988,781,320	2,134,579,869
	<u>1,988,781,320</u>	<u>2,134,579,869</u>
5 Cash and Cash equivalent		
a) Balances with Banks		
In Current Account	62,899,341	24,038,889
In Fixed Deposit	-	10,202,350
b) Cash on Hand	406,784	586,264
	<u>63,306,125</u>	<u>34,827,503</u>
6 Balance with Banks		
a) Balance In Fixed Deposits with Bank	494,847,175	172,772,478
	<u>494,847,175</u>	<u>172,772,478</u>
6.1 Fixed Deposits of Rs.1502799.08 (Previous Year 1342433) pledged with Bank towards Bank Guarantee to Pollution Control Board.....		
7 Loans & Advances		
Fixed deposits in NBFC	81,140,030	59,000,000
	<u>81,140,030</u>	<u>59,000,000</u>
8 Other Current Financial Assets		
a) Interest accrued on FDR	11,925,335	8,782,528
	<u>11,925,335</u>	<u>8,782,528</u>
9 Current Tax Assets (Net) <u>(Unsecured Considered Good)</u>		
a) Advance Tax & TDS (net of provision)	-	13,028,126
b) Income Tax Recoverable	-	3,732,417
	<u>-</u>	<u>16,760,543</u>
10 Other Current Assets		
a) Prepaid Expenses	329,799	400,664
b) Deposits	31,641,718	31,565,384
c) Income Receivable	654,248	1,424,217
d) Input Tax Credit under GST	16,776,737	14,759,323
e) Others Loans & Advances		
Considered Good	6,691,326	14,643,477
Doubtful	-	-
	<u>6,691,326</u>	<u>14,643,477</u>
Less: Provision for Doubtful Advances	-	-
	<u>6,691,326</u>	<u>14,643,477</u>
	<u>56,093,828</u>	<u>62,793,065</u>

J.K.COTTON LIMITED

11. SHARE CAPITAL

AUTHORISED :

	As at <u>31.03.2021</u> (₹)	As at <u>31.03.2020</u> (₹)
24500000 Equity shares of ₹ 10/- each	245,000,000	245000000
4525000 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	452,500,000	452500000
25000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	2,500,000	2500000

<u>700,000,000</u>	<u>700000000</u>
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ISSUED, SUBSCRIBED AND PAID-UP

23577750 Equity shares of ₹ 10/- each	235,777,500	235777500
	<u>235,777,500</u>	<u>235777500</u>

(a) The reconciliation of the number of Equity shares outstanding is set out below :-

Shares at the beginning of the year	23577750	23577750
Shares at the end of the year	23577750	23577750

(b) Details of Shareholders holding more than 5% Shares of the Company:-

	<u>31.3.2021</u>		<u>31.3.2020</u>	
	% of <u>Holding</u>	No of Shares	% of <u>Holding</u>	No of Shares
<u>Equity Shares</u>				
1. M/s Yadu International Ltd.	7.30	1720000	7.30	1720000
2. Smt. Sushila Devi Singhania	8.04	1895000	8.04	1895000
3. Mrs. Kavita Singhania	9.97	2350000	9.97	2350000
4. Mr. Yadupati Singhania	-	-	28.57	6736158
5. Mr. Abhishek Singhania	28.62	6748484	-	-
6. M/s Jaykay Enterprises Ltd.	40.34	9510360	40.34	9510360

J.K.COTTON LIMITED

	As at <u>31.03.2021</u>	As at <u>31.03.2020</u>
12. <u>OTHER EQUITY</u>	(₹)	(₹)
<u>Capital Reserve</u>		
Balance at the beginning of the year	1,158,201,857.85	1,186,521,124
Less: Transfer to Profit Loss Statement	<u>108,069,265 *</u>	<u>28,319,267 *</u>
Balance at the end of the year	<u>1,050,132,593</u>	<u>1,158,201,857</u>
 <u>Capital Redemption Reserve</u>		
Balance at the end of the year	3,186,800	3,186,800
 <u>Share Premium Account</u>		
Balance at the end of the year	20,998,650	20,998,650
 <u>Retained Earnings</u>		
Balance at the beginning of the year	(931,365,201)	(932,444,896)
Add : Re-measurement of defined benefits Plan (OCI)	130,000	(441,000)
Add : Profit for the year	<u>251,437,350</u>	<u>1,520,695</u>
Balance at the end of the year	<u>(679,797,851)</u>	<u>(931,365,201)</u>
	 <u>394,520,192</u>	 <u>251,022,106</u>

* Transfer pertains to the Area for which Sale Deed executed during the year.

Notes to Other Equity

12.1) Capital Reserve on Revaluation of land was created at the time of revaluation of land (stock in trade) .This reserve is utilized at the time of sale of land under Income Tax Act.

12.2) Capital Redemption Reserve was created out of profits in earlier years at the time of redemption of redeemable preference shares .This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

12.3) Share Premium Account represents the amount received in excess of face value of shares issued in earlier years.

12.4) Retained Earnings represents the cumulative loss of the Company and effect of re-measurement of defined obligations.

12.5) Other Comprehensive Income (OCI), represents the fair value changes of specified items which will be reclassified to Profit and Loss Account in future years.

J.K.COTTON LIMITED

	As at 31.3.2021 (₹)	As at 31.3.2020 (₹)
Non current liabilities		
13. Borrowings		
a) 4381720,6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	438,172,000	438172000
	438,172,000	438172000
13.1 6% Non Cumulative Redeemable Preference shares of ₹ 15,72,000/- issued on 24.08.2016 for a term of 5 years due for redemption on 24.08.2021 . 6% Non Cumulative Redeemable Preference shares of ₹ 43,66,00,000/- issued on 12.01.2018 are redeemable at the option of Board at any time not later than 20 years from the date of allotment .		
13.2 Directors have decided not to pay any Dividend on Preference and on Equity Shares during the year.		
14. Long Term Provisions		
a) Gratuity	5,429,931	5336129
b) Leave Encashment	2,169,011	2106000
	7,598,942	7442129
15. Trade Payables		
a) Micro and Small Enterprises	-	-
b) Others	160,867,170	183488077
	160,867,170	183488077
16. Other Current Financial Liabilities		
a) Other Payables	52,098,390	52661763
b) Unclaimed Preference Shares (Redemption Money)	21,000	21000
	52,119,390	52682763
Other payables include employees liabilities, expenses payable, etc.		
17. Other Current Liabilities		
a) Advance from Customers	1,187,295,582	1200500298
b) Deposits	318,742,559	291960473
c) Others	4,851,335	3097590
	1,510,889,476	1495558361
18. Short Term Provisions		
a) Gratuity	-	16000
b) Leave Encashment	266,000	224000
	266,000	240000
19. Current Tax Liabilities (Net)		
a) Current tax liability (Net of Tax Paid)	20,137,525	-
	20,137,525	-

J.K.COTTON LIMITED

	Year Ended 31.03.2021	Year Ended 31.03.2020
	(₹)	(₹)
20. Revenue from Operations		
a) Revenue from Real Estate	658,691,268	230,829,126
	658,691,268	230,829,126
21. Other Income		
a) Interest on Fixed Deposits	21,430,239	14,714,166
b) Dividend received	-	186,300
c) Rent	16,622,980	14,803,027
d) Miscellaneous Receipt	8,065,912	489,792
e) Profit on Sale of Fixed Assets	-	303
f) Sundry Sales	830,926	462,310
	46,950,058	30,655,898
22. Changes in Inventories of Finished Goods, Work-In-Progress and Stock in Trade		
(a) Inventories at the end of the year		
Work-in-Progress (Real Estate)	1,988,781,320	2,134,579,869
Total (a)	1,988,781,320	2,134,579,869
(b) Inventories at the beginning of the year		
Work-in-Progress (Real Estate)*	2,134,579,869	1,991,723,251
Total (b)	2,134,579,869	1,991,723,251
Total (b-a)	145,798,549	(142,856,618)
* Note: Previous year includes opening adjustments on transition to Ind AS 115		
23. Employee Benefits Expense		
a) Salaries and Wages	12,506,779	10,233,411
b) Contribution to Provident and other Funds	1,092,748	959,560
c) Staff welfare expenses	793,131	501,158
	14,392,658	11,694,129
24. Finance Cost		
a) Interest Expenses	18,000,000	18,000,000
	18,000,000	18,000,000
25. Depreciation & Amortisation Expense		
a) Depreciation on tangible assets	4,145,511	2,451,617
b) Amortisation on intangible assets	175,927	197,158
	4,321,438	2,648,775

J.K.COTTON LIMITED

<u>26. Land Development & Construction Expenses</u>	<u>Year Ended</u> <u>31.03.2021</u> (₹)	<u>Year Ended</u> <u>31.03.2020</u> (₹)
Employee Cost	8,020,423	10,096,740
Cement	-	1,984,992
Steel	-	340,403
Sewage & pipes	2,271,976	786,200
Course Sand , Grit & Bricks		141,724
Power Charges(DG Sets)	867,000	
Tiles, Marble, Pavers & Granite		1,389,697
Contractor Charges	86,658,657	142,880,358
Less: Amt against cement and TMT bars issued		-
Electric Sub Station Expenses	5,086,224	7,906,340
Site electrification expenses		11,126,129
EWS/LIG construction expenses	157,973	94,784
RERA Exp.	38,000	263,500
Sample & Model Expenses	(80,606)	2,909,011
Landscape Design	778,800	1,298,000
MEP Consultancy Services	3,193,908	4,526,958
Professional charges	29,651,176	13,841,229
Project Consultancy Management	15,046,361	27,042,768
Engineering Consultancy	1,272,872	2,223,522
Testing Charges	-	548,075
Building Construction Expenses – Misc.	-	3,319,218
Gardening & Horticulture Expenses	1,789,440	4,223,334
Security Expenses	-	6,932
Telephone Expenses	31,349	1,522,270
Park equipment & Developments	-	4,916,293
Prayer Hall Expenses	-	143,497
Badminton & Basket Ball Court Expenses	-	662,587
Party Lawn Expenses (18%)	-	(68,252)
Mapsaction expenses	2,212,263	166,251
Compounding fees	-	5,291,150
Other Misc. Expenses	307,632	4,557,122
Architectural Services	17,930,906	9,617,843
Bricks Cleaning Charges		712,245
Establishment Expenses	2,111,187	4,504,078
	<u>177,345,541</u>	<u>268,974,998</u>
<u>27. Other Expenses</u>	<u>31.03.2021</u> (₹)	<u>31.03.2020</u> (₹)
<u>Administration & Sundry Expenses</u>		
Rent	328,503	214,000
Rates & Taxes	5,014,350	1,189,014
Insurance	957,098	283,682
Travelling & Conveyance	1,426,268	988,692
Directors' Fees	385,860	267,000
Remuneration to Auditors:		
As Audit Fee	236,000	236,000
As Tax Audit Fee	59,000	59,000
CSR Expenditure	250,000	490,000
Donation	12,500,000	
Other Expenses	47,044,675	26,950,955
	<u>68,201,753</u>	<u>30,678,343</u>
<u>Selling & Distribution Expenses</u>		
Advertisement & Publicity	9,193,153	8,347,934
Commission on Sale	42,772,977	12,542,123
Selling Expenses	301,465	257,612
	<u>52,267,595</u>	<u>21,147,669</u>
	<u>120,469,349</u>	<u>51,826,012</u>

28. Statement of Profit and Loss for Discontinuing Operations:

Statement of Profit & Loss of discontinued operation of Textile business for the period 01st April 2020 to 31st March 2021 is as under:

PARTICULARS	Note	2020-21 (₹)	2019-20 (₹)
Other Income	28.1	-	2,150,248
Total Revenue		-	2,150,248
Expenses			
Employee Benefits Expense	28.2	-	6,987,926
Depreciation, Impairment Loss and Amortisation Expense	28.3	-	7,839,175
Other Expenses	28.4	-	114,516,870
Total Expenses		-	129,343,971
Loss Before Tax		-	(127,193,723)
Loss for the period from discontinuing operations		-	(127,193,723)
		(₹)	(₹)
28.1 Other Income			
a) Interest		-	291,841
b) Rent		-	-
b) Provision for doubtful debts written back		-	-
c) Profit on sale of Investment		-	1,150,727
d) Miscellaneous Receipt		-	57,500
e) Other Non Operating Income :			1,500,068
Profit on Sale of Fixed Assets		-	89,670
Sundry Sales		-	560,510
		-	650,180
			2,150,248
28.2 Employee Benefits Expense			
a) Salaries and Wages		-	6,100,427
b) Contribution to Provident and other Funds		-	419,665
c) Staff welfare expenses		-	467,834
		-	6,987,926
28.3 Depreciation, Impairment Loss & Amortisation Expense			
a) Depreciation on tangible assets		-	7,839,175
b) Impairment Loss on tangible assets		-	-
		-	7,839,175
28.4 Other Expenses			
a) Consumption of Stores & Spares			
b) Power & Fuel			
c) Sundry Manufacturing Expenses			
d) Repairs & Maintenance			
e) Administration & Sundry Expenses			
Rent		-	168,000
Rates & Taxes		-	5,322,462
Insurance		-	580,625
Travelling & Conveyance		-	506,115
Bad Debts/Advances Write off		-	12,393,932
Less: Provision for Doubtful Debts written back		-	(12,393,932)
Loss on sale of Fixed Assets		-	96,810,706
Other Expenses		-	11,128,962
		-	114,516,870
			114,516,870

J. K. COTTON LIMITED

29. Balances of personal accounts of Trade Payables, Other Current Financial Liabilities, Deposits, Other Loans and Advances are subject to confirmation and reconciliation.

30. Based on the information available with the Company there are no dues payable to suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

31. Impairment losses, as per Ind AS 36 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.

32. <u>Earnings per share (EPS)</u>	<u>2020-21</u>	<u>2019-20</u>
	(₹) in lakhs	(₹) in lakhs
(a) Net Profit/ (Loss)	2514.37	15.21
(b) Weighted average number of equity shares Used as denominator for calculation of EPS	2,35,77,750	2,35,77,750
(c) Basic and diluted earning per share of Rs. 10/- each	10.66	0.06

33. Disclosure in terms of Ind AS-19 are as follows:

a) Defined contribution plan

Contribution to defined contribution plan recognized as expenses for the year 2020-2021 are as under:

Employer's contribution to provident fund	7,58,328/-	9,86,007/-
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b) Defined benefit plan

The present value of obligation is determined based on actuarial valuation using the project unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity.

A Profit & Loss (P&L)	₹ in Lakhs			
	Gratuity unfunded		Leave Encashment unfunded	
	2020-21	2019-20	2020-21	2019-20
1. Current service cost	3.63	3.16	2.78	2.52
2. Past Service Cost – plan amendments	0.00	0.00	0.00	0.00
3. Curtailment Cost / (credit)	0.00	0.00	0.00	0.00
4. Service Cost	3.63	3.16	2.78	2.52

5. Net Interest on net defined benefit liability / (asset)	3.33	3.18	1.43	1.32
6. Immediate recognition of (gains)/losses	0.00	0.00	0.22	2.36
7. Cost recognized in P&L	6.96	6.34	4.33	6.20

B Other Comprehensive Income (OCI)	Gratuity unfunded		Leave Encashment unfunded	
	2020-21	2019-20	2020-21	2019-20
1. Actuarial (gain)/loss due to DBO	(1.85)	2.07	(0.13)	0.84
2. Actuarial (gain)/loss due to DBO assumption changes	0.55	2.34	0.35	1.52
3. Actuarial (gain)/loss arise during period	(1.30)	4.41	0.22	2.36
4. Actuarial (gains)/losses recognized in OCI	(1.30)	4.41	0.00	0.00

C Defined Benefit Cost

1. Service Cost	3.63	3.16	2.78	2.52
2. Net Interest on net defined benefit liability / (asset)	3.33	3.18	1.43	1.32
3. Actuarial (gains)/losses recognized in OCI	(1.3)	4.41	0.00	0.00
4. Immediate recognition of (gains)/losses	0.00	0.00	0.22	2.36
5. Defined Benefit Cost	5.66	10.75	4.43	6.20

D Development of Net Balance Sheet

1. Defined Benefit Obligation (DBO)	(191.64)	(191.90)	(24.35)	(23.30)
2. Fair Value of Plan Assets (FVA)	0.00	0.00	0.00	0.00
3. Funded Status [Surplus/(deficit)]	(191.64)	(191.90)	(24.35)	(23.30)
4. Net Defined Benefit Asset/(Liability)	(191.64)	(191.90)	(24.35)	(23.30)

E Change in Defined Benefit Obligation

1. DBO at end of prior period	191.90	187.72	23.30	18.59
2. Current Service Cost	3.63	3.16	2.78	2.52
3. Interest cost on the DBO	3.63	3.18	1.43	1.32
4. Curtailment (credit)/ cost	0.00	0.00	0.22	0.00
5. Past Service cost – plan amendments	0.00	0.00	0.00	0.00
6. Actuarial (gain)/loss – experience	(1.85)	2.07	(0.13)	0.84
7. Actuarial (gain)/loss – financial	0.55	2.34	0.35	1.52
8. Benefits paid directly by the Company	(5.93)	(6.57)	(3.38)	(1.49)
9. DBO at end of current period	191.64	191.90	24.35	23.30

E Actuarial Assumptions

1. Discount rate	6.40%	6.60%	6.40%	6.60%
2. Expected rate of return on plan assets	N/A	N/A	N/A	N/A

3. Mortality	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
4. Turnover	1% of all ages	1% of all ages
5. Salary Escalator	5%	5%
6. Maximum Limit	₹ 20 lakhs	₹ 20 lakhs

34. RELATED PARTY DISCLOSURES:

(a) Key management personnel and their Relatives

- i) Shri Abhishek Singhania - Chairman & Managing Director.
- ii) Ms. Sonali Agarwal - Chief Financial Officer
- iii) Shri Harshit Gunani – Company Secretary
- iv) Smt. Sushila Devi Singhania – Relative of MD

(b) Others Director's and their Relatives

- (i) Shri Nidhipati Singhania - Director
- (ii) Dr. Krishna Behari Agarwal – Director
- (iii) Shri Ashok Gupta – Director
- (iv) Dr. Jagannath Gupta – Director
- (v) Shri Krishna Das Gupta – Director
- (vi) Shri Padam Kumar Jain – Director
- (vii) Shri Ravindra Kumar Tandon – Director
- (viii) Smt. Kalpana Singhania – Relative of Director
- (ix) Shri Ramapati Singhania – Relative of Director

(b) Enterprises significantly influenced by Key Management Personnel or their Relatives:-

- i) Jaykay Enterprises Ltd.
- ii) J.K. Cement Ltd.
- iii) Uttar Pradesh Cricket Association.

Related Parties relationship as identified by the company and relied upon by the Auditors.

Following are the transactions with related parties:

Details of transactions are as follows:	<u>2020-21</u> ₹	<u>2019-20</u> ₹
i) Jaykay Enterprises Ltd.		
a) Rent paid	1,48,500	2,02,000
b) Others	29,500	29,500
ii) J.K. Cement Ltd.		
a) Rent received(Including Goods and Services Tax)	32,10,600	32,10,600
b) Purchase of Cement		2,091

iii) Uttar Pradesh Cricket Association		
a) Rent & Maintenance Charges received	72,79,101	65,92,320
iv) Key management personnel & their Relatives		
a) Shri Yadupati Singhania		
• Loan Received		
Balance at the beginning of the year	-	2,00,00,000
Loan paid during the year	-	2,00,00,000
Balance at the end of the year	-	-
• Rent Paid	13,334	39,996
b) Smt. Sushila Devi Singhania		
Rent paid	46,676	20,004
c) Shri Nidhipati Singhania		
Rent paid	20,000	20,004
d) Smt. Kalpana Singhania		
Rent paid	19,997	19,992
e) Shri Ramapati Singhania		
Rent paid	20,000	20,004
f) Shri Abhishek Singhania		
Rent paid	39,996	-
g) Ms. Sonali Agarwal		
Remuneration including PF	9,83,550	9,45,300
h) Shri Harshit Gunani		
Remuneration including PF	7,69,440	7,30,920
i) Sitting Fees to other directors	3,85,860	2,67,000

35. **Approval of Financial Statements:**

The financial statements were approved for issue by the Board of Directors on 29th June, 2021.

36. The Government of India on September 20, 2019, vide the Taxation Law (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961, which provides domestic companies a non-reversible option to pay Corporate tax at reduced rate effective, April 1 2019, subject to certain conditions. The company is continuing to provide for income tax at old rates. based on the available unutilised minimum alternative tax credit.

37. Previous year figures have been regrouped/rearranged/restated wherever necessary.

38. Contingent Liabilities

(i) Claims against the company not acknowledged as debts - Amount unascertainable.

(ii) A Recovery suit being Civil Suit No. 613850/16 was filed by Mr. Rakesh Bhasin, Director of M/s. Hitads Pvt. Ltd. against the Company for recover of outstanding amount of Rs. 74,59,021/- and the same was inter-alia contested on the ground that JK Cotton is sick company. The matter was pending for a long time and was only recently decided vide Judgement dated 24.12.18 in favour of the Plaintiff i.e. M/s Hitads Pvt. Ltd. and it was held entitled to recover a sum of Rs. 41.27 Lakhs Approx. with interest (pending litigation and future) @ 18% p.a. + cost of litigation. But we filed a appeal before the Hon'ble High Court Delhi and the matter was taken up for admission of the appeal on 7.5.2019 before the Hon'ble Justice Mr. V. Kameswar Rao. After Hearing both the parties the Court was pleased to stay the order of trial court dated 24.12.2018 and ordered us to deposit 2/3rd of the decretal amount i.e. Rs. 1,69,19,580/- with Registrar General, Delhi High Court in Demand Draft.

39. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

(A) For the Financial Year 2020-21

(Amount in Rs.)

Particulars	For the year 2020-21		
	as per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 increase/(decrease)	After application of Ind AS 115
Revenue from operations	645,537,359	13,153,909	658,691,268
Change in inventory	124,157,211	21,641,338	145,798,550
Profit before tax	341,870,516	(8,487,460)	333,383,056
Tax expenses			
Current Tax	0	0	34,300,000
Less: MAT Credit Entitlement	0	0	(25,500,000)
Deferred Tax	0	0	73,145,707
Profit after tax after discontinuing operations	259,924,809	(8,487,460)	251,437,349
Basic earnings per share	15.02	0.36	10.66
diluted earnings per share	15.02	0.36	10.66

- (i) Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Ind AS 11.
- (ii) Impact for the year: Profit after tax during the year is lower by Rs. 84,87,460, increase in inventory by Rs. 21,641,338 and increase in Revenue from Operations of Rs. 1,31,53,909.

(B) For the Financial Year 2019-20

(Amount in Rs.)

Particulars	For the year 2019-20		
	as per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 increase/(decrease)	After application of Ind AS 115
Revenue from operations	176,485,923	54,343,203	230,829,126
Change in inventory	(162,929,132)	(20,072,513)	(142,856,618)
Profit before tax	16,486,040	34,270,690	50,756,729
Tax expenses			
Current Tax	0	0	0
Less: MAT Credit Entitlement	0	0	0
Deferred Tax	0	0	(49,197,423)
Profit after tax after discontinuing operations	59,242,762	(34,270,690)	128,273,419
Basic earnings per share	2.51	1.45	0.66
diluted earnings per share	2.51	1.45	0.66

- (i) Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Ind AS 11.
- (ii) Impact for the year: Profit after tax during the year is higher by Rs. 3,42,70,690, decrease in inventory by Rs. 20,072,513 and increase in Revenue from Operations of Rs. 54,343,203.

Note 40: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

J.K.Cotton Limited is a company domiciled in India and limited by shares. (U17111UP1924PLC000275). The address of the company's registered office is Kamla Tower, Kanpur-208001. The company is engaged in the business of the Real Estate Activities.

40.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

40.2 Current and non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- (a) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) It holds the asset primarily for the purpose of trading;
- (c) It expects to realize the asset within twelve months after the reporting period; or
- (d) The asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

40.3 Revenue recognition

40.3.1 Sales revenue

1 Revenue from the sale of Textiles goods is recognized when all the following conditions have been satisfied:

- (a) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

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- (b) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2 Revenue from Sale of Real Estate

The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

The taxes, levies or duties are not considered to be received by the Company on its own account and are excluded from net revenue.

40.3.2 Interest

Interest income is recognised using the Effective Interest Method.

40.3.3 Dividend

Dividend income from investments is recognised when the rights to receive payment is established.

40.3.4 Other Claims

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation.

40.4 Leases

A **finance lease** is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An **operating lease** is a lease other than a finance lease.

40.4.1 Company as a lessor

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Operating leases Lease income from operating leases (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless either:

(a) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met. .

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as lease income.

Finance leases Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

40.5 Property, Plant and Equipment (PPE)

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent Measurement

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Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the de recognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such de recognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation

Depreciation on property, plant and equipment, except freehold land, is provided on straight line method based on useful life specified in schedule II to the Companies Act, 2013. The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

Impairment of Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Transition to Ind AS

The company elected to continue with the carrying value as per cost model (for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS (01-04-2017) , measured as per the previous GAAP.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

An intangible asset with an indefinite useful life is not amortized but is tested for impairment at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or three years, whichever is less; with a nil residual value.

40.6 Investment Property

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of businesses are classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

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Investment properties are depreciated using the straight-line method over their estimated useful lives.

40.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

40.7.1 Financial assets**40.7.1 Initial recognition and measurement**

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

40.7.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

40.7.2.1 Equity investments in associates

In accordance of Ind AS 101 (First time adoption of Ind AS), the carrying amount of these investments as per previous GAAP as on the date of transition is considered to be the deemed cost. Subsequently Investment in subsidiaries, associates and joint ventures are measured at cost.

40.7.2.2 Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

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If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

40.7.2.3 Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

40.7.2.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

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The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

40.7.3 Financial liabilities**40.7.3.1 Initial recognition and measurement**

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

40.7.3.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

40.7.3.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

40.7.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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40.8 Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use.

40.9 Taxation

Tax expenses for the period comprises current and deferred tax. Tax is recognised in statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current Tax: Current Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

Deferred Tax: Deferred Tax recognised on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

40.10 Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

(iii) Defined benefit plans

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The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

a) Gratuity

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

b) Leave Encashment

Leave encashment is payable to eligible employees at the time of retirement .The liability for leave encashment , which is defined benefit scheme , is provided on actuarial valuation as at the Balance Sheet date, based on projected unit credit method , carried out by the independent actuary.

40.11 Foreign Currency Transactions

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The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing at the transaction date.

40.12 Inventories

- i) Inventories Textiles are valued “**at cost or net realizable value**”, whichever is lower .Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing in inventories to their present location and condition.
- ii) First in First out (FIFO) is followed for determination of cost.
- iii) Real estate inventory converted into stock in trade is stated at conversion value based on its fair market valuation and development expenses incurred therefore.

40.13 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises cash at Bank and on hand and short term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value

40.14 Provisions, Contingent Liabilities &Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain

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events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognized in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

40.15 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

40.16 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Applications of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

40.16.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

40.16.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and

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- b) reliable in that financial statements:
 - (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis.

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- (a) The requirements in Ind ASs dealing with similar and related issues; and
- (b) The definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

40.16.1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

40.16.1.3 Operating lease

Company has entered into lease agreements. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

40.16.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are

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beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

40.16.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

40.16.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

40.16.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

40.16.2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

J. K. COTTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****40.17 Abbreviation used:**

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
i.	PPE	Property, Plant and Equipment

